MANITOBA HEAVY CONSTRUCTION

January 4, 2005

Presentation to Executive Policy Committee (EPC)
Plan Winnipeg Amendment – Waverly West

As you may know, the Manitoba Heavy Construction Association (MHCA) represents the heavy construction industry in Manitoba. Our member companies are typically engaged in the construction, maintenance and repair of public and private infrastructure. Our industry, during peak season, employs directly and indirectly in excess of 15,000 Manitobans.

Over the years we have made many presentations to all three levels of government related to the need for sustained and sustainable development of our city, provincial and national infrastructure.

It is not usual for the MHCA to make submissions on proposed Plan Winnipeg Amendments.

However, we felt that the proposed re-designation of lands from Rural Policy Area to Neighborhood Policy Area commonly referred to as Waverly West, merits our interest and therefore our presentation.

We begin by indicating that we have had the opportunity of reviewing the report submitted in support of the Waverley West Amendment and agree with its conclusions and therefore support EPC's adoption of the two recommendations before it today.

It has not been a common problem, historically, for Winnipeg to be facing a shortage of developable lands for the purpose of residential or commercial land use. Such appears to be the case based upon studies conducted by land development consultants, Manitoba's home building industry and the City's own Planning Branch.

It is not healthy for a city like Winnipeg, or any city for that matter, to place itself in a situation where a shortage of available lands artificially increases the cost not only of the existing housing stock, but the value of remaining lands and the costs of construction through the forces of artificially influenced supply and demand.

The objective of any land policy should be to keep ahead of demand. Winnipeg has reached the point where it no longer is ahead of, but rather faces real shortages of land. This will have the additional negative impact of making land outside the city's boundaries more attractive for development, therefore losing the economic benefits that would otherwise remain within the City for the benefit of both the City and its residents.

We make these observations and draw these conclusions as observers, practitioners and participants in Winnipeg's and Manitoba's economy.

On these points (and other points in support) we refer you to the brief submitted by the Winnipeg Chamber of Commerce posted on your website, with which brief we concur.

There is a tendency sometimes to dismiss economic arguments which support development and construction on the basis that if construction does not happen in Waverley West, it will simply occur somewhere else in the city, or even outside the city, so there would be no net loss of economic benefit.

We think in the bigger picture that if a lack of affordable housing begins to limit or stunt growth, then there is a real and measurable loss to Manitoba and Winnipeg's economies.

We respectfully submit that arguments against Waverley West are really arguments against growth for Winnipeg. They respectfully, but incorrectly, believe that by limiting development in suburban Winnipeg, the growth and associated economic activity will simply shift downtown. We politely submit they are mistaken.

Further, there is absolutely nothing wrong with arguing in favour of development from purely an economic perspective, subject of course to the development criteria well laid out in Plan Winnipeg.

We make this observation noting that relevant Plan Winnipeg Policies include "2C-02 Facilitate Opportunities for Business Growth in Winnipeg."

This particular policy states that:

> "The city "*shall* (emphasis added mine) facilitate opportunities for business growth in Winnipeg by:
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> ii) assisting business in meeting government requirements associated with new development and expansion, including streamlining procedures and regulations within the civic administration

From the perspective of the heavy construction industry, whose interests we submit are consistent with those of the broader community, the following economic benefits should not be ignored:

- Suburban growth provides a significant economic benefit and employment to the heavy construction and the supply side to our industry;
- The Cost Benefit Analysis suggests a positive cash flow to the city which will provide new revenues streams with which to address pressing investment deficits such as Winnipeg's infrastructure which by your own calculations requires in excess of $1 billion;
- A healthy sustained and sustainable development of lands in Winnipeg helps promote career opportunities for those seeking jobs in our industry, whether they be engineers, estimators, supervisors, accountants, clerical, sales, labourer, heavy equipment operators, mechanics and so on, without the need to relocate closer to the source of employment;
- A healthy construction industry is better able to compete and provide competitive bidding not only in Winnipeg, but in jurisdictions to the east and west of this city and province. Ours is a mobile industry and to compete, our home base of economic activity must be healthy to support and sustain re-investment in capital and human resources;
- There has been a focus on developing and promoting the downtown which our industry has supported. We see that with what has already occurred and/or going to happen, namely:
    - CanWest Global Park;
    - Red River College Campus;
    - Waterfront Drive development;
    - Condominium and other residential development proposals in the Exchange District;
    - The overall success of the Forks;
    - The opening of the MTS Centre;
    - Soon to be completed expansion/construction of the Millennium Library;
    - Construction of new restaurants and night clubs directly related to the MTS Centre;
    - Increased business activity associated with the MTS Centre;
    - The proposed Human Rights Museum; and

- The planned new Manitoba Hydro Headquarters, that the city's downtown is coming alive.

Most importantly, Winnipeggers are beginning to believe that their downtown is coming alive.

All of these developments are destination, commercial, entertainment, residential oriented and they are all being well received by the public.

Who knows, maybe the much discussed football stadium might end up being sited east or west of Disraeli which would further add to "destination downtown."

The point is that our downtown will not be threatened by Waverly West being allowed to develop.

Failure to provide an adequate supply of land for sustainable growth on the other hand will and already has resulted in increased housing costs. If prolonged this could result in a lost competitive advantage for Winnipeg and in employment losses to our industry.

We have reviewed the relevant policies and procedures which oblige a Plan Winnipeg Amendment. We conclude that all of the relevant considerations have been taken into account and that the first hurdle, namely support of the two recommendations, is warranted. It will be in secondary plans where greater clarity to the specific land use and mix will be given attention.

We finish by indicating our support for the two recommendations and urge Executive Policy Committee to do the same.

Respectfully submitted,
Manitoba Heavy Construction Association (MHCA)

Per:

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President

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